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# A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that up-front costs are a  
2 barrier preventing many Hawaii residents from installing  
3 renewable energy systems and replacing energy-inefficient home  
4 appliances with energy-saving alternatives. Existing tax credit  
5 and rebate programs have not been enough of an incentive to  
6 offset up-front costs, especially for public utilities customers  
7 who are renters and for owners of older homes in need of  
8 retrofitting before energy-saving devices can be installed.

9           The purpose of this Act is to provide assistance to public  
10 utilities consumers who exchange energy-inefficient  
11 refrigerators for ENERGY STAR refrigerators, exchange  
12 conventional hot water heaters for solar water heaters, install  
13 photovoltaic systems, and take other energy efficiency measures  
14 deemed to be cost-effective by the public utilities commission.  
15 This Act directs the public utilities commission to adopt rules  
16 to allow public utilities customers to finance purchases of  
17 energy-saving appliances and renewable energy technology through  
18 on-bill financing, backed by the public benefits fee.



1 SECTION 2. Chapter 269, Hawaii Revised Statutes, is  
2 amended by adding a new section to part VII to be appropriately  
3 designated and to read as follows:

4 "§269- On-bill financing for energy efficiency and  
5 renewable energy. (a) The public utilities commission shall  
6 implement an on-bill financing program which shall allow a  
7 residential electric utility customer to purchase:

8 (1) An ENERGY STAR refrigerator;

9 (2) A solar water heater system that meets the standards  
10 established pursuant to section 269-44;

11 (3) A solar energy device as defined in section 196-7; or

12 (4) Any other device or system that the public utilities  
13 commission designates by rule;

14 provided that the estimated life cycle electricity savings from  
15 the item or system purchased pursuant to this section exceeds  
16 the cost of the item or system.

17 (b) The on-bill financing program established pursuant to  
18 this section shall allow a residential electric utility customer  
19 to purchase an item or a system as specified by subsection (a)  
20 with no up-front payments by paying the cost of the item or  
21 system over time on the customer's electricity bill.



1        (c) Once the item or system is installed on a property,  
2 the item or system shall remain a part of that property for the  
3 purposes of sale, lease, or transfer; provided that the  
4 residential electric utility customer may remove the item or  
5 system when:

6        (1) There is mutual consent of all parties to a sale or  
7 transfer of the item or system;

8        (2) Proper notice has been served to the utility company;  
9 and

10       (3) The utility company and the residential electric  
11 utility customer mutually agree to a future payment  
12 schedule for the item or system.

13       (d) The public utilities commission shall adopt rules  
14 pursuant to chapter 91 to:

15       (1) Provide for billing and payment of devices and systems  
16 purchased pursuant to this section through a  
17 residential electric utility customer's utility bill;

18       (2) Determine a reasonable payment schedule for items and  
19 systems purchased pursuant to this section and a  
20 reasonable interest rate to be applied to payments;



1       (3) Determine reasonable penalties, which may include  
2       finances and disconnection of utility services, for  
3       nonpayment of on-bill financing costs; and

4       (4) Allow for the assignment of system repayment costs  
5       attached to meter location.

6       (e) All costs associated with the establishment and  
7       operations of an on-bill financing program established pursuant  
8       to this section shall be paid from the public benefits fee  
9       established under section 269-121.

10       (f) The public benefits fee administrator, pursuant to  
11       section 269-122, shall determine a reasonable percentage of  
12       collected public benefits fees in any given year that shall be  
13       expended on an on-bill financing program established pursuant to  
14       this section."

15       SECTION 3. New statutory material is underscored.

16       SECTION 4. This Act shall take effect on July 1, 2011.

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**Report Title:**

Renewable Energy; Energy Efficiency; Public Utilities Commission

**Description:**

Directs the public utilities commission to implement an on-bill financing program for residential electric utility consumers to finance purchases of energy efficient or renewable energy devices and systems through their regular electric utility bills. (Proposed SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

